

MORRELL STEVEN
Form 5
February 14, 2006

FORM 5

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *
MORRELL STEVEN

(Last) (First) (Middle)

2. Issuer Name and Ticker or Trading Symbol
ISOLAGEN INC [ILE]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

405 EAGLEVIEW BLVD.

(Street)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2005

Director 10% Owner
 Officer (give title below) Other (specify below)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting (check applicable line)

EXTON, PA 19341

Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) (A) or (D) Price | 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|-----------------------------------|
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|-----------------------------------|

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount Underlying Securities (Instr. 3 and 4) |
|--|---|--------------------------------------|--|--------------------------------|------------------------------------|--|--|
|--|---|--------------------------------------|--|--------------------------------|------------------------------------|--|--|

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| | Security | | | | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | | Expiration Date | Title | Amount Number Shares |
|----------------------------|----------|-----|------------------|---|--|-----|-------|-----------------|--------------|----------------------|
| | (A) | (D) | Date Exercisable | | (A) | (D) | Date | | | |
| Non-Qualified Stock Option | \$ 6 | ^ | ^ | ^ | ^ | ^ | ^ (1) | 05/22/2012 | Common Stock | 100,000 |
| Non-Qualified Stock Option | \$ 6 | ^ | ^ | ^ | ^ | ^ | ^ (2) | 01/08/2014 | Common Stock | 100,000 |
| Non-Qualified Stock Option | \$ 7.67 | ^ | ^ | ^ | ^ | ^ | ^ (3) | 03/03/2015 | Common Stock | 20,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| MORRELL STEVEN 405 EAGLEVIEW BLVD. EXTON, PA 19341 | ^ X | ^ | ^ | ^ |

Signatures

/s/ Steven Morrell 02/13/2006

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Vested as follows: 40,000 shares vested May 22, 2003; 30,000 shares vested May 22, 2004; and 30,000 shares vested May 22, 2005.
Vested as follows: 66,667 shares vested on a quarterly basis commencing January 8, 2004 through December 31, 2005; and 33,333 shares vested December 31, 2005. Effective December 31, 2005, the Board of Directors of Isolagen, Inc. ("Isolagen") approved the acceleration of the vesting schedule with regard to certain unvested stock options previously granted to employees and directors of Isolagen pursuant to Isolagen' various stock option plans and agreements. 33,333 shares underlying this option was subject to such acceleration.
- (3) Vested as follows: 5,000 shares vested on each of March 31, 2005; June 30, 2005; September 30, 2005; and December 31, 2005.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.